

IN THE HOUSE OF REPRESENTATIVES

HOUSE JOINT RESOLUTION NO. 7

BY REVENUE AND TAXATION COMMITTEE

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE VIII, OF THE CONSTITUTION OF THE STATE OF IDAHO, BY THE ADDITION OF A NEW SECTION 3D, ARTICLE VIII, RELATING TO AUTHORIZED INDEBTEDNESS FOR MUNICIPAL ELECTRIC SYSTEMS, TO PROVIDE THAT ANY CITY OWNING A MUNICIPAL ELECTRIC SYSTEM MAY ACQUIRE, CONSTRUCT, INSTALL AND EQUIP ELECTRIC GENERATING, TRANSMISSION AND DISTRIBUTION FACILITIES FOR THE PURPOSE OF SUPPLYING ELECTRICITY TO CUSTOMERS LOCATED WITHIN THE SERVICE AREA OF EACH SYSTEM ESTABLISHED BY LAW AND FOR THE PURPOSE OF PAYING THE COST THEREOF, ISSUE REVENUE BONDS WITH THE ASSENT OF A MAJORITY OF THE QUALIFIED ELECTORS VOTING AT AN ELECTION HELD AS PROVIDED BY LAW AND INCUR INDEBTEDNESS OR LIABILITY UNDER AGREEMENTS TO PURCHASE, SHARE, EXCHANGE OR TRANSMIT WHOLESALE ELECTRICITY FOR THE USE AND BENEFIT OF CUSTOMERS LOCATED WITHIN SUCH SERVICE AREA AND PROVIDED THAT ANY REVENUE BONDS, INDEBTEDNESS OR LIABILITY SHALL BE PAYABLE SOLELY FROM THE RATES, CHARGES OR REVENUES DERIVED FROM THE MUNICIPAL ELECTRIC SYSTEM AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION; STATING THE QUESTION TO BE SUBMITTED TO THE ELECTORATE; DIRECTING THE LEGISLATIVE COUNCIL TO PREPARE THE STATEMENTS REQUIRED BY LAW; AND DIRECTING THE SECRETARY OF STATE TO PUBLISH THE AMENDMENT AND ARGUMENTS AS REQUIRED BY LAW.

Be It Resolved by the Legislature of the State of Idaho:

SECTION 1. That Article VIII, of the Constitution of the State of Idaho, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 3D, Article VIII, of the Constitution of the State of Idaho and to read as follows:

SECTION 3D. MUNICIPAL ELECTRIC SYSTEMS -- AUTHORIZED INDEBTEDNESS. Notwithstanding the limitations and requirements of Section 3, Article VIII, of the Constitution of the State of Idaho, any city owning a municipal electric system may:

(a) acquire, construct, install and equip electric generating, transmission and distribution facilities for the purpose of supplying electricity to customers located within the service area of each system established by law and for the purpose of paying the cost thereof, may issue revenue bonds with the assent of a majority of the qualified electors voting at an election held as provided by law; and

(b) incur indebtedness or liability under agreements to purchase, share, exchange or transmit wholesale electricity for the use and benefit of customers located within such service area; provided that any revenue bonds, indebtedness or liability shall be payable solely from the rates, charges or revenues derived from the

1 municipal electric system and shall not be secured by the full faith
2 and credit or the taxing power of the city, the state or any politi-
3 cal subdivision.

4 SECTION 2. The question to be submitted to the electors of the State of
5 Idaho at the next general election shall be as follows:

6 "Shall Article VIII, of the Constitution of the State of Idaho be
7 amended by the addition of a New Section 3D to provide that any city owning a
8 municipal electric system may:

9 (a) acquire, construct, install and equip electric generating, trans-
10 mission and distribution facilities for the purpose of supplying electric-
11 ity to customers located within the service area of each system established
12 by law and for the purpose of paying the cost thereof, may issue revenue bonds
13 with the assent of a majority of the qualified electors voting at an election
14 held as provided by law; and

15 (b) incur indebtedness or liability under agreements to purchase,
16 share, exchange or transmit wholesale electricity for the use and benefit of
17 customers located within such service area;

18 provided that any revenue bonds, indebtedness or liability shall be
19 payable solely from the rates, charges or revenues derived from the municipi-
20 pal electric system and shall not be secured by the full faith and credit or
21 the taxing power of the city, the state or any political subdivision?".

22 SECTION 3. The Legislative Council is directed to prepare the state-
23 ments required by Section 67-453, Idaho Code, and file the same.

24 SECTION 4. The Secretary of State is hereby directed to publish this
25 proposed constitutional amendment and arguments as required by law.